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Viewing cable 06BUENOSAIRES350, CONVERSATION WITH CASA ROSADA INSIDER OSCAR

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- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
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#06BUENOSAIRES350.

Reference ID	Created	Released	Classification	Origin
06BUENOSAIRES350	2006-02-13 19:00	2011-08-30 01:44	CONFIDENTIAL	Embassy Buenos Aires

Appears in these articles:

<http://www.lanacion.com.ar/1361157-la-relacion-con-chavez-al-desnudo>

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C O N F I D E N T I A L BUENOS AIRES 000350

SIPDIS

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E.O. 12958: DECL: 02/10/2016
TAGS: [PGOV](#) [PREL](#) [AR](#)
SUBJECT: CONVERSATION WITH CASA ROSADA INSIDER OSCAR
PARRILLI

REF: A. 05 BUENOS AIRES 141

B. BUENOS AIRES 97
C. BUENOS AIRES 291
D. BUENOS AIRES 346

Classified By: Ambassador Lino Gutierrez for Reasons
1.4 (b) and (d).

1. (C) Summary: In a wide-ranging conversation with DCM,
Secretary General of the Presidency Oscar Parrilli said GoA

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efforts to control prices were working and that the 2006
inflation rate would be lower than generally expected. He
defended the government's approach to controlling the
piquetero movement and demonstrations, claiming recent
violence during a labor dispute in Santa Cruz province
(during which a policeman was killed) would have been much
worse had the police force been armed. Regarding the 2007
presidential elections, Parrilli said President Nestor
Kirchner would not announce his decision on whether to seek
reelection until the end of this year but speculated he would
run and that his main competitor would be Neuquen governor
Jorge Sobisch. End Comment.

2. (C) The DCM and PolCouns met on February 9 with Oscar
Parrilli, the Secretary General of the Presidency and one of
a small group of advisors considered to be in President
Kirchner's inner circle. (See Reftel A for biographic
details on Parrilli and other inner circle members.) To open
the discussion, the DCM noted recent developments in
U.S.-Argentine relations including the January 12 meeting of
Assistant Secretary Tom Shannon with Kirchner (Reftel B), the
visit of Deputy Assistant Secretary of Defense Rogelio
Pardo-Maurer (Reftel C) and emphasized the importance of
continued assistance and cooperation on regional issues such
as Haiti and Bolivia and multilateral issues such as the
recent IAEA Board of Governors meeting in which Argentina
supported the reporting of Iran to the UN Security Council.
Regarding potential issues of concern, the DCM noted the

continued destabilizing activities of Venezuelan president Hugo Chavez, the rising inflation rate in Argentina and labor violence in Kirchner's home province of Santa Cruz (Reftel D).

13. (C) Responding first to the issue of inflation, Parrilli said the recent round of price control agreements with retail and industry sectors had been successful and that the rate of inflation in February would be significantly lower than in January (when it reached 1.3 percent). He opined the government could keep the inflation rate during the remainder of 2006 to under ten percent. The DCM noted that while price controls could provide short-term relief to inflationary trends, ultimately, appropriate monetary and fiscal policies were the only long-term solutions for controlling inflation. Parrilli said the GoA was committed to maintaining high reserves and a competitive exchange rate while at the same time making the necessary infrastructure investments to continue economic and social development.

14. (C) On the question of Chavez, Parrilli said Argentina had economic ties with Venezuela that could not be discounted. He noted in particular Venezuela's purchase of Argentine bonds. When pressed by the DCM on Chavez's undermining of democratic institutions in Venezuela, Parrilli only responded that the GoA's economic ties with Venezuela did not mean support for Chavez's heavy-handed ways.

15. (C) Turning to the violent labor dispute in Santa Cruz province that left one policeman dead, Parrilli defended government tactics in dealing with demonstrations and piquetero groups. He said the government's decision to use only minimal force in dealing with protesters was the correct one, even in the current situation. Had the police responded in kind to the strikers in Santa Cruz, there would have been thirty dead instead of just one, he said. More generally, Parrilli said the government's strategy to isolate and/or coopt piquetero groups had been successful and that the number of protesters who now show up for demonstrations has declined significantly in the last three years. What

remained, he said, was a group of hard left, professional agitators who refused to enter into any sort of dialogue.

¶6. (C) When asked for his perspective on domestic politics, Parrilli said Kirchner would not make any announcements regarding his electoral intentions for 2007 until the end of this year. Speaking on a personal basis, Parrilli said it would clearly be easier to move forward with the administration's long-term goals for Argentina if Kirchner remained as president for a second term. Asked who his

likely competitor might be, Parrilli said Governor Sobisch of Neuquen Province would be the chief rival but added he would not provide stiff competition for Kirchner. He opined that Buenos Aires city national deputy Mauricio Macri would opt for the Buenos Aires city chief of government race.

¶7. (C) Comment: Parrilli's role in the inner circle is primarily that of Kirchner's gatekeeper. While not a policy advisor himself, his views certainly reflect Kirchner's thinking on pivotal issues such as the economy. What was most striking about Parrilli's comments was their reflection of old-school, classic Peronist thinking, in particular in their faith in government intervention and price controls in the economy. Also notable (and consistent with classic Peronism) was Parrilli's rejection of the hard left in Argentine politics, which could presage a more firm government response in the future to violent demonstrations. End Comment.

¶8. (U) Reftels available at
<http://www.state.sgov.gov/p/wha/buenosaires.< /a>>
GUTIERREZ

=====CABLE ENDS=====

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